

Amendment No. 1 to HB1008

Winningham
Signature of Sponsor

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Date _____

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Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 1452

House Bill No. 1008*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. This act shall be known and may be cited as the "Tennessee STAR Scholarship Act of 2007".

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 4, is amended by adding Sections 3 through 18 of this act as a new, appropriately designated part.

SECTION 3. The general assembly finds and declares that:

(1) Many of this state's economically disadvantaged children are not encouraged at an early age to have high ambitions and expectations and to make college attendance a primary goal;

(2) Economically disadvantaged fourth through seventh graders and their parents are often unaware of the necessity of early planning and preparation for education beyond high school. This lack of awareness hinders and discourages such students from striving to attain higher education;

(3) Lack of planning and preparation for future college participation results in failure to enroll and succeed in college preparatory and advanced placement courses in high school, and in failure to take courses, such as Algebra I, as early as possible;

(4) Support limited to help with academics, however, is not sufficient to provide all information and skills that students and their parents must acquire to ensure adequate academic achievement and financial ability for success in higher education. Students and their parents often need help and encouragement in accessing information about educational opportunities, courses needed to prepare for a particular career, college selection and

application, the cost of higher education, the availability of financial aid, and application for such aid.

(5) Additionally, research has found that academic achievement is directly tied to parental involvement with students' total learning experience, including, but not limited to, parental participation in school and school events. To be effective, such assistance and encouragement must begin before students enter eighth grade;

(6) A Tennessee STAR scholarship pilot project should be created to investigate a model that addresses the multi-faceted needs of economically disadvantaged fourth through seventh graders and their parents in improving academic achievement and in accessing and acquiring skills and information to ensure entrance in college and the financial ability to secure higher education opportunities. Upon success of the pilot project, as shown by careful research and evaluation, such model should be expanded to encompass students throughout the state;

(7) The pilot project should follow the students who enroll in the project and similarly situated students who are not enrolled in the project to determine the effectiveness of the project by measuring and comparing student achievement, dropout rates, graduation rates, college entrance rates, college completion rates and other indicators of academic success for both groups of students; and

(8) Article XI, Section 5 of the Tennessee Constitution provides that proceeds from the state lottery shall be "allocated to provide financial assistance to citizens of this state to enable such citizens to attend postsecondary educational institutions located within this state." A component of the Tennessee STAR scholarship pilot project should provide financial assistance to students enrolled in the project from state lottery proceeds through a Tennessee STAR scholarship program.

SECTION 4. As used in this part, unless the context otherwise requires:

- (1) "ACT" means the ACT assessment administered by ACT;
- (2) "Department" means the department of education;
- (3) "Eligible postsecondary institution" means an institution defined as an eligible postsecondary institution in §49-4-902;
- (4) "Grade point average" means the numbered grade average calculated using a 4.0 scale;
- (5) "Middle school" means any Tennessee public school in which classes are conducted in one (1) or more of grades four through seven (4-7);
- (6) "Parent" means the custodial parent or guardian of the student, a legal custodian of the student or a caregiver authorized to enroll the student in school pursuant to §34-6-304 and §49-6-3001(c)(6);
- (7) "SAT" means the Scholastic Aptitude Test administered by the College Board;
- (8) "Tennessee STAR scholarship" means a "Tennessee Student Tuition Assistance Rewards" scholarship for study in pursuit of an associate or baccalaureate degree at an eligible postsecondary institution that is funded from net proceeds of lottery games conducted by the state;
- (9) "Tennessee STAR scholarship applicant" means a Tennessee STAR scholarship high school student who is a Tennessee citizen and resident, who graduated or shall graduate from a Tennessee public high school or a private Southern Association of Colleges and Schools-accredited high school located in Tennessee, who affirms the applicable parts of the Tennessee STAR scholarship pledge and who applies to an eligible postsecondary institution;
- (10) "Tennessee STAR scholarship college student" means a college student who is a Tennessee citizen and resident, who was a Tennessee STAR scholarship high school student, who is enrolled in an eligible postsecondary institution and receiving a Tennessee STAR scholarship, and who affirms the

applicable parts of the Tennessee STAR scholarship pledge upon reapplication for continuation of a Tennessee STAR scholarship as required under Section 12;

(11) "Tennessee STAR eighth grade student" means a student in the eighth grade who enrolled in a Tennessee STAR pilot project during the fourth grade, who is a Tennessee citizen and resident, who is enrolled in a Tennessee public school or a private Southern Association of Colleges and Schools-accredited school and who affirms the applicable parts of the Tennessee STAR scholarship pledge as an eighth grader;

(12) "Tennessee STAR scholarship high school student" means a high school student who is a Tennessee citizen and resident, who attends a Tennessee public high school or a private Southern Association of Colleges and Schools-accredited high school located in Tennessee, who was a Tennessee STAR scholarship middle school student and a Tennessee STAR scholarship eighth grade student and who affirms the applicable parts of the Tennessee STAR scholarship pledge at the beginning of each school year in the ninth through the twelfth grades;

(13) "Tennessee STAR scholarship middle school student" means a student in grades four through seven (4-7) who is a Tennessee citizen and resident and who enrolls and participates in a Tennessee STAR scholarship pilot project in 2007 or thereafter while enrolled in fourth grade in a Tennessee public school that is a Title I school and who agrees to and signs the Tennessee STAR scholarship pledge;

(14) "Tennessee STAR scholarship pledge" means the agreement made in writing by a Tennessee STAR scholarship student or applicant, together with the student's parent, if the student is a minor;

(15) "Tennessee STAR scholarship student" means a Tennessee STAR scholarship college student, a Tennessee STAR scholarship middle school

student, a Tennessee STAR eighth grade student or a Tennessee STAR scholarship high school student;

(16) "THEC" means the Tennessee higher education commission;

(17) "TSAC" means the Tennessee student assistance corporation; and

(18) "Title I school" means a public school in which fifty percent (50%) or more of the students qualify for free and reduced priced lunch pursuant to 42 U.S.C. §§ 1751-1769.

SECTION 5.

(a) The department of education shall establish, administer, and monitor one (1) or more Tennessee STAR scholarship pilot projects to enable students who enroll in a pilot project as fourth graders attending a Title I school and who are citizens and residents of this state to attend eligible postsecondary educational institutions located in this state after graduation from high school through financial assistance from state lottery proceeds. The department may establish pilot projects that are school district-based or school-based.

(b) Such projects shall consist of two (2) collaborative components:

(1) The Tennessee STAR scholarship program, which shall provide financial assistance to eligible college students from state lottery proceeds; and

(2) Enrichment programs funded by the state, LEAs, local governments, or by sources other than the state, LEAs or local governments or funded by any combination of the state, LEAs, local governments and sources other than the governmental sources; provided, however, that any state funding for components of enrichment programs that are not part of an after school program shall not be from lottery proceeds. LEAs and local governments may provide funding for such programs through in-kind contributions. Enrichment programs shall

provide participants with opportunities for academic improvement and college awareness through activities such as:

- (A) Tutoring or mentoring;
- (B) After school, Saturday or summer school programs;
- (C) Career fairs;
- (D) College counseling and college visits;
- (E) Financial counseling as to the cost of college and financial aid available; and
- (F) Parental involvement opportunities in home-based and school-based learning, in service to the school and enrichment programs and participation in school and enrichment program events.

(c) Enrichment programs shall be committed to following the progress of Tennessee STAR scholarship students after they initially enroll in the program through graduation from high school. Enrichment programs shall provide for parent and teacher involvement in planning for students' academic and career success, including, but not limited to providing a student education enhancement plan for every Tennessee STAR scholarship student. The student education enhancement plan shall be a joint effort of the enrichment program, the student's parent or parents and the student's teachers that addresses strategies for improving student performance including home-based and school-based tasks for the parent or parents and other family members, as appropriate, in helping the student achieve academic success. The student education enhancement plan shall also provide for involvement of the student's parent or parents and other family members, as appropriate, in the student's education generally, the enrichment program and the student's school. Enrichment programs shall furnish parents with information and assistance concerning support and encouragement of students in preparing for college, postsecondary institutions located in the

state, admission processes, and available financial aid and how to apply for such aid.

(d) The department may establish enrichment programs or partnerships of a local education agency and an institution of higher education may establish enrichment programs. Support from the community in which an enrichment program operates, including support from nonprofit organizations and groups and businesses, shall be encouraged. The department shall establish a process by which newly created or existing enrichment programs that seek to participate in a pilot project may apply.

(e) The department shall establish no more than eighteen (18) such pilot projects, with no more than six (6) such projects from each grand division of the state. Pilot projects in each grand division shall be established in urban, suburban and rural communities. Each pilot project shall enroll a maximum of two hundred fifty (250) students per fourth grade class. A pilot project, once established, shall be committed to following each class of students enrolling during the fourth grade through graduation from college.

(f) For each pilot project established, the department shall establish a control group of similarly situated students who are not participating in the pilot project. The department shall collect data on such students to enable comparison of student achievement, dropout rates, graduation rates, college entrance rates, college completion rates and other indicators of academic success for both groups of students.

SECTION 6.

(a) The department shall establish the Tennessee STAR scholarship program. The program shall award credits or points for participation in enrichment program activities and activities designated by the student education enhancement plan by students, parents and family members and for academic achievement in grades four through twelve (4-12). The department shall

determine and assign the number of enrichment points to be awarded for participation in an enrichment activity, activities designated by the student education enhancement plan or school involvement. The department shall determine and assign the number of academic achievement points to be awarded for different levels of academic achievement. Academic achievement points shall be awarded for maintaining a grade point average of 2.0 or higher, or the equivalent in other grading systems, in courses or overall. Higher scholastic performance as evidenced by grade point averages greater than 2.0 shall merit the award of higher numbers of points. Academic achievement points shall also be awarded for performance on TCAP, ACT, and SAT tests or equivalent measures of performance. Higher performance on such measures shall merit the award of higher numbers of points. At least seventy-five percent (75%) of the total points that can be achieved shall be available for award for academic achievement in grades four through twelve (4-12). The remaining number of the total points that can be achieved shall be available for award for participation in enrichment program activities by Tennessee STAR scholarship students or their parents and families.

(b) The department shall maintain a secure account for each Tennessee STAR middle, eighth grade or high school student that shall be accessible via the Internet through which the student may verify the number of points that the student has attained.

SECTION 7.

(a) The department shall be responsible for collection of all data concerning enrichment points and academic achievement points earned by Tennessee STAR scholarship students in grades four through twelve (4-12). The department shall provide TSAC with all information needed for identification of a student and the number of points awarded to the student upon notification by TSAC that the student has applied for a scholarship.

(b) Schools at which Tennessee STAR scholarship students are enrolled shall provide by June 30 of each year all information needed by the department to determine the number of academic achievement points awarded to such students during the preceding school year. Enrichment programs in which Tennessee STAR scholarship students are enrolled shall provide by June 30 of each year all information needed by the department to determine the number of enrichment points awarded to such students during the preceding school year.

(c) The department shall be responsible for collection and maintenance of all written Tennessee STAR scholarship pledges made by Tennessee STAR scholarship students in grades four through twelve (4-12). TSAC shall be responsible for collection and maintenance of all written Tennessee STAR scholarship pledges made by applicants and college students.

SECTION 8. The department shall determine the minimum number of points necessary for the receipt of a Tennessee STAR scholarship. The number shall include a requirement that points be earned in both enrichment program participation and academic achievement. The department shall specify the minimum number of points that must be earned to receive a full Tennessee STAR scholarship to attend an eligible public postsecondary institution. Students earning fewer points for either academic achievement or for participation in enrichment programs than the number required for a full tuition scholarship, but more than the minimum number of points for a scholarship, shall be eligible for scholarships in amounts as determined by the department.

SECTION 9. The provisions of §§ 49-4-910, 49-4-912, 49-4-913, and 49-4-919 that apply to Tennessee HOPE scholarships shall also apply to Tennessee STAR scholarships.

SECTION 10. As applicable to the student or applicant, each Tennessee STAR scholarship student or Tennessee STAR scholarship applicant shall pledge to:

(1) Participate in an enrichment program;

(2) Graduate from a Tennessee public high school or a private Southern Association of Colleges and Schools-accredited high school located in Tennessee;

(3) Achieve an overall grade point average upon graduation from high school of at least 2.0 for courses taken in high school;

(4) Not illegally use controlled substances;

(5) Not illegally consume alcoholic beverages;

(6) Not commit a crime or delinquent act;

(7)

(A) When a senior in high school, apply timely to an eligible postsecondary institution; or

(B) When reapplying for continuation of a Tennessee STAR scholarship, continue to be enrolled in an eligible postsecondary institution; and

(8) Apply timely for any federal and state student financial assistance available to the student to attend an eligible postsecondary institution. Federal and state student financial assistance for the purposes of this part shall not include loans that require repayment.

SECTION 11. To be eligible for a Tennessee STAR scholarship, a Tennessee STAR scholarship applicant shall:

(1) Not be ineligible for a scholarship under § 49-4-904;

(2) Meet all requirements of the Tennessee STAR scholarship, including earning the minimum number of points required under Section 8;

(3) Affirm in writing the Tennessee STAR scholarship pledge;

(4) Be admitted to and enroll in an eligible postsecondary institution no later than the fall semester immediately following graduation from high school; and

(5) Apply for a Tennessee STAR scholarship.

SECTION 12.

(a) To continue to receive a Tennessee STAR scholarship, a Tennessee STAR scholarship college student at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship and shall reapply for the scholarship upon attempting twenty-four (24), forty-eight (48), seventy-two (72), or ninety-six (96) semester hours, and, if enrolled in an undergraduate degree program required to be more than one hundred twenty (120) semester hours in length, upon attempting one hundred twenty (120) semester hours. At the end of each semester in which eligibility is reviewed, a Tennessee STAR scholarship college student shall be in good academic standing at the institution in which the Tennessee STAR scholarship college student is enrolled.

(b) If a Tennessee STAR scholarship student or applicant violates any agreement of the Tennessee STAR scholarship pledge, the student or applicant shall cease to be eligible for receipt of a Tennessee STAR scholarship.

(c) If a Tennessee STAR scholarship college student ceases to be eligible for a Tennessee STAR scholarship at any time for any reason, then the student shall not be able to regain the Tennessee STAR scholarship.

SECTION 13.

(a) A Tennessee STAR scholarship for a college student attending an eligible public postsecondary institution shall include payment of tuition and mandatory fees for such student's attendance at such institution, if the student receives no other financial assistance specifically designated for tuition and mandatory fees. If the student receives financial assistance, other than loans requiring repayment, specifically designated for tuition or mandatory fees, then a Tennessee STAR scholarship shall pay the difference between the cost of tuition and mandatory fees required to attend the eligible public postsecondary institution and such financial assistance. The award for a Tennessee STAR

scholarship shall not exceed the cost of full payment of the student's tuition and mandatory fees.

(b) Full-time students attending eligible independent postsecondary institutions shall receive the average of full tuition and mandatory fees charged at all four-year public postsecondary institutions, if the student is attending a four-year eligible independent postsecondary institution, or the average of full tuition and mandatory fees charged at all two-year public postsecondary institutions, if the student is attending a two-year eligible independent postsecondary institution; provided, that the student receives no other financial assistance specifically designated for tuition and mandatory fees. If a student attending an eligible independent postsecondary institution receives financial assistance specifically designated for tuition and mandatory fees, other than loans requiring repayment, the Tennessee STAR scholarship shall pay the difference between the cost of tuition and mandatory fees required to attend the eligible private postsecondary institution and such financial assistance, not to exceed the average cost of full payment of tuition and mandatory fees at all comparable eligible public postsecondary institutions. In no event shall the Tennessee STAR scholarship award to a student attending an eligible independent postsecondary institution exceed the cost of tuition and mandatory fees at the eligible independent postsecondary institution.

(c) The award for a student attending an eligible independent postsecondary institution part-time shall be reduced pro rata.

SECTION 14. If the sum of all financial aid, including a Tennessee STAR scholarship, for which a student qualifies exceeds the institutionally defined total cost of education at the eligible postsecondary institution the scholarship recipient is attending, then such student's financial assistance shall be reduced so that the financial aid actually received by the student does not exceed the institutionally defined total cost of education.

SECTION 15. The award of Tennessee STAR scholarships and the amount of such scholarship is subject each year to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery.

SECTION 16.

(a) The department of education shall report annually to the education committee of the senate and the education committee of the house of representatives before the second Tuesday in January, concerning the Tennessee STAR scholarship pilot projects. The report shall include, but not be limited to, information concerning the project sites, collaborators, the number of Tennessee STAR scholarship middle, eighth grade and high school students, the number of students retained in the program from the previous year, the number of students dropping out of the program and the reasons for failure to retain those students, and the number of points awarded. The department shall also compare the achievement of the students participating in each pilot project to that of the corresponding group of similarly situated students who are not participating in the pilot project. THEC shall assist the department by providing the department with postsecondary data that it collects. The department shall research and evaluate the effectiveness of the Tennessee STAR scholarship pilot projects and make recommendations as to whether the pilot projects should be expanded to include additional projects or additional students or whether modifications to the pilot projects should be made.

(b) The Tennessee STAR scholarship program shall be administered by TSAC, which shall be responsible for determination of scholarship eligibility of students and for the distribution of funds appropriated by the general assembly for scholarships awarded under the program. In the event net proceeds from lottery revenues are insufficient to fund fully the Tennessee STAR scholarships,

then TSAC is authorized to review and reduce the amounts to be awarded for such scholarships pro rata.

(c) THEC shall provide assistance to the general assembly and to TSAC by researching and analyzing data concerning the Tennessee STAR scholarship program, including data for students in control groups. Such data shall include, but not limited to, data measuring student success in postsecondary education and scholarship retention. THEC shall report its findings annually to the education committee of the senate and the education committee of the house of representatives before the second Tuesday in January. THEC shall research and evaluate the effectiveness of the Tennessee STAR scholarship program, once awards of scholarships have commenced, and make recommendations as to whether the Tennessee STAR scholarship pilot projects should be expanded to include additional students who will eventually receive Tennessee STAR scholarships or whether modifications should be made to the pilot projects or the scholarship program.

(d) Postsecondary educational institutions that enroll students receiving Tennessee STAR scholarships or students from a control group shall provide all information required by TSAC and THEC that is necessary for administering, reviewing, and evaluating the Tennessee STAR scholarship program. TSAC and THEC may choose to collect data from higher education institutions or through the University of Tennessee system, board of regents, or the Tennessee Independent Colleges and Universities Association.

(e) The department, TSAC and THEC shall maintain confidentiality of individual student records in accordance with the Family Educational Right to Privacy Act.

SECTION 17.

(a) The department of education is authorized to promulgate rules and regulations to establish the Tennessee STAR scholarship pilot project, including

rules applicable to the Tennessee STAR scholarship program and rules applicable to the enrichment programs, and to otherwise effectuate the purposes of the Tennessee STAR scholarship pilot project. Rules applicable to the enrichment programs shall include, but not be limited to, procedures for application for participation by enrichment programs. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) TSAC is authorized to promulgate rules and regulations to establish deadlines for applications for Tennessee STAR scholarship, appeal procedures for the denial or revocation of Tennessee STAR scholarships, methods of paying Tennessee STAR scholarship awards to part-time students, and to otherwise effectuate the purposes of the Tennessee STAR scholarship program. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act.

(c) TSAC shall promulgate rules and regulations to provide for repayment or partial repayment of a Tennessee STAR scholarship awarded to a student who subsequently withdraws from courses or from the postsecondary institution. Such rules shall be comparable to rules for repayment of other financial aid available to postsecondary students. No repayment shall be required if a full-time student withdraws from a course and such withdrawal does not reduce the student's course load below twelve (12) semester hours. All students shall be notified of the consequences of withdrawing from courses or from the institution when notified of the award of a Tennessee STAR scholarship. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act.

(d) THEC is authorized to promulgate rules and regulations to effectuate the purposes of this part. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act.

(e) Costs incurred by the department, TSAC and THEC in administering the Tennessee STAR scholarship program of the Tennessee STAR scholarship pilot project shall be funded from the lottery for education account as part of such programs. Costs incurred by the department in administering after school programs functioning as enrichment programs, other than costs associated with administration of components of such programs that are not part of the after school program, shall be funded from the lottery for education account as part of such programs.

SECTION 18.

(a) There is created a special account in the state general fund to be known as the "Tennessee STAR scholarship support fund." Any fund balance remaining unexpended at the end of a fiscal year in the fund shall be carried forward into the subsequent fiscal year. Moneys in the fund shall be invested by the state treasurer in accordance with the provisions of § 9-4-603. Interest accruing on investments and deposits of the fund shall be carried forward into the subsequent fiscal year. No part of the fund shall be diverted to the general fund or any other public fund. Moneys in the fund shall only be expended and obligated in accordance with appropriations made by the general assembly. Moneys in the fund shall only be expended in accordance with the provisions of this section. The fund shall be administered by TSAC.

(b) The Tennessee STAR scholarship support fund may accept voluntary contributions from individuals, nonprofit organizations, for-profit corporations, partnerships, or other entities.

(c) Moneys from the Tennessee STAR scholarship support fund shall be used to provide reimbursements to Tennessee STAR scholarship recipients to offset the cost incurred by such recipients in purchasing:

(1) Required textbooks, supplies, or equipment;

(2) Any other materials required to participate in a particular class, seminar, laboratory, or other type of instruction by the eligible postsecondary institution that the Tennessee STAR scholarship recipient is attending; or

(3) Other items or services approved by TSAC under rules adopted by TSAC.

(d) To be eligible to receive money from the fund, a Tennessee STAR scholarship recipient shall apply to TSAC on a form provided by TSAC. The scholarship recipient shall certify to TSAC that the scholarship recipient has incurred costs under subsection (c) that were not included in the Tennessee STAR scholarship award or in other financial assistance available to the student.

(e) Upon verification by TSAC of the information provided by the scholarship recipient and subject to the availability of money in the support fund and the appropriation of such money by the general assembly, TSAC shall reimburse the Tennessee STAR scholarship recipient the amount of money requested.

(f) Reimbursement under this section shall be provided in the order in which applications for reimbursement were received.

(g) TSAC shall promulgate rules and regulations to effectuate the purposes of this section. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 19. Tennessee Code Annotated, Section 4-51-111(b), is amended by adding the following language as a new, appropriately designated subdivision:

(5)

(A) There is created within the lottery for education account a "Tennessee STAR scholarship subaccount". This subaccount is established to provide the financial resources necessary to award the

scholarships authorized by the Tennessee STAR scholarship program pursuant to this act. Notwithstanding any provision of this section to the contrary, treasurer's earnings on the subaccount shall be credited to the subaccount to be used in a manner consistent with this subdivision (b)(5)(A).

(B) Net lottery proceeds in the lottery for education account shall be transferred to the Tennessee STAR scholarship subaccount in fiscal year 2008-2009 and in each fiscal year thereafter to fund postsecondary financial assistance to be provided under this act for students who are Tennessee citizens and who enrolled in a pilot project as a Tennessee STAR middle school student in the preceding fiscal year. Before December 15, 2007, and before December 15 in each succeeding year, the Tennessee student assistance corporation shall prepare a report setting forth an estimate of the total cost of lottery related financial assistance, including administrative costs, to be provided to students who have become or shall become Tennessee STAR middle school students during the fiscal year in which the report is filed. Such estimate shall cover the total cost of lottery related financial assistance that shall be required to fund such students' education during ten (10) semesters of postsecondary education that a student is potentially eligible to receive a Tennessee STAR scholarship. In making its estimate, the Tennessee student assistance corporation shall take into consideration program attrition rates and failure of students to retain scholarships as experienced in Tennessee and in other states with similar programs. The state funding board, when it establishes its annual projected revenue range for net lottery proceeds for the next succeeding fiscal year, shall estimate the rate of earnings to be expected on the moneys to be transferred to the subaccount in such fiscal year that shall accrue prior to being used for

funding for Tennessee STAR scholarships for students who became Tennessee STAR middle school students in the preceding fiscal year. One-fourth (1/4) of the amount required to cover the cost estimated by the Tennessee student assistance corporation shall be transferred from the lottery for education account to the Tennessee STAR scholarship subaccount within fifteen (15) days of each deposit for the fiscal year by the corporation into the state treasury for credit to the lottery for education account. The amount so transferred in each installment shall be reduced in accordance with the calculation of the estimate of earnings that shall accrue to the subaccount from that installment of the transferred funds prior to the use of such moneys to fund Tennessee STAR scholarships for the group of students becoming Tennessee STAR middle school students in the preceding fiscal year.

SECTION 20. The provisions of this act shall not be construed to be an appropriation of funds, and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 21. This act shall take effect upon becoming a law, the public welfare requiring it.